

February 9, 1976

SENATOR KELLY: Mr. President, members of the Legislature. I have three different speeches on LB 519. The one I'm giving now will be based on the green copy of the bill. I've been advised by Senator Schmit that, through the smoke-haze of amendments and debate on this bill, we have gotten back to the bill in its original pure form. I would ask Senator Schmit at this time, is that correct? Are we debating killing LB 519 in the green copy?

SENATOR SCHMIT: I haven't read Senator Rasmussen's motion but I assume that's what he's trying to do, yes.

SENATOR KELLY: Thank you very much. If you're interested enough in this proposition you could follow me by following the bill, namely Section 1 which places state funds at the disposal of the counties to go into the gambling business. Any county in the State of Nebraska can pay solely of the revenues therefrom and an allocation of the pari-mutuel tax that would be wagered on the track that's built by the county. Now the county must pay from the funds either the sale of the bonds or from the operating revenue. Again from Section 1 on line 20, "Payment of such notes. Recognizing that this statute allows the county to borrow money to get into the gambling business and the payment of those notes shall be made from any money or revenues which the county may have available for such purposes from the proceeds". In Section 2 it says that "any county constructing or acquiring any of the facilities authorized in Section 1 of this Act shall include race track and horse racing facilities, shall be authorized to lease or enter in an agreement for operation maintenance of facilities to a Nebraska non-profit corporation organized exclusively for civic purposes of which conducts a livestock exposition". Even though the county leases, the county is the operator. The non-profit corporation is not responsible to pay the indebtedness through notes or the indebtedness through bonds. The county is required to pay that. They would pay it by taking the money of their agent, the non-profit corporation, and paying off the indebtedness against the gambling installation that the county has created for the people of the State of Nebraska. Refer to line 26 on page 3, under Section 2. "For the benefit of the people of the State of Nebraska, for the improvement of their welfare and prosperity". It does not say in here that only when you win is it for your prosperity.

Further, it said that there will be money available for taxes from this operation to the State of Nebraska. On page 4, line 2, "will contribute and produce taxes under such section." However, in Section 4 it says "county acquiring and owning any facilities described in Section 1 of this act shall not be required to pay taxes or assessment upon any such facility or upon any charges, fees, revenues or other income received from such facility". That prohibits the county from paying what it says it shall pay. Those fees and assessments include the fees and assessments that would be charged against a race track by the Nebraska Racing Commission in which they use, through their cash fund, to monitor the racing in Nebraska.